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Likelihood of Destruction - Restructuring the Trademark Dilution by Blurring Factors in the Trademark Dilution Revision Act of 2006

Derek A. Hawkins

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COMMENTS

Likelihood of Destruction—Restructuring the Trademark Dilution by Blurring Factors in the Trademark Dilution Revision Act of 2006

“Destroying is a necessary function in life. Everything has its season, and
all things eventually lose their effectiveness and die.”

— Margaret J. Wheatley*

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* Margaret J. Wheatley and Geoff Crinean, *Solving, not Attacking, Complex Problems: A Five-State Approach Based on an Ancient Practice* MARGARET J. WHEATLEY, <http://www.margaretwheatley.com/articles/solvingnotattacking.html> (last visited Jan. 8, 2013).

DEREK A. HAWKINS



Derek A. Hawkins is from East Brunswick, NJ and received his Juris Doctorate from Marquette University Law School in 2013. His studies focused on civil litigation involving trademarks and contracts. He received his Bachelor's degree in Business Administration & Management from Messiah College in Mechanicsburg PA in 2010. He studied international business at City University of Seattle in Athens, Greece. Derek also studied international economics and business transactions and transnational litigation in Justus Liebig Universität – Giessen in Giessen, Germany.

While attending Marquette Law, Derek took seminars on patent registration at the European Patent Office in Berlin. He was captain and competitor of the mock trial team representing Marquette University in the Thurgood Marshall Mock Trial Competition in 2012 and 2013, is a member of Phi Alpha Delta International Law Fraternity (Lafollette Chapter) and the National Black Law Student Association. Derek was a staff editor for Marquette Intellectual Property Law Review, responsible for reviewing and editing submissions provided to the law review for publication.

Derek's professional experience consists of working independently as a legal consultant in the New York Metro area for private individuals and law firms aiding in litigation strategizing, legal research, and contract drafting. He worked for Rausch, Sturm, Israel, Enerson & Hornik, LLC and interned with the Milwaukee County District Attorney's Office. Prior to law school Derek worked for Lehman Brothers Inc. prior to 2008 and as an intern with the Legal Aid Society of New York as an investigative intern in the criminal defense division.

In his spare time, Derek enjoys fitness, music, playing sports and watching movies.

I. INTRODUCTION

We have been swindled—all of us—students, professors, and practicing attorneys alike. We have been deceived into accepting what is currently the Trademark Dilution Revision Act of 2006 (hereinafter “TDRA”), and its multifactor test to measure trademark dilution by blurring, as the equitable and sensible anti-dilution law to police dilution of trademarks by blurring in the United States. With unquestioned acquiescence, courts have analyzed dilution by blurring claims without gauging the effectiveness of the TDRA. Part of this is, indeed, because federal anti-dilution law is relatively young and is still evolving.¹ Furthermore, only a few courts have interpreted the TDRA since its enactment. However, within the pool of courts that have delved into the un-navigated waters of this amended anti-dilution law, there exists a myriad of applications, explanations, and interpretations.² The TDRA multifactor blurring test enumerated in § 1125(c), the codification of the revised TDRA statute, is non-exclusive. However, from a practical standpoint, the blurring factors serve as a guideline that courts will consider first before looking to an extrinsic test unapproved by Congress. This is at least the assumption without further guidance on how to proceed with a dilution by blurring analysis.

The TDRA and its blurring factors came to be through numerous case decisions; however, since its enactment, there has yet to be an effective challenge to the TDRA blurring factors for their effectiveness, utility, or relevance. In enacting the TDRA, Federal anti-dilution law morphed in two *significant* ways: “(i) a *likelihood of dilution*, rather than *actual dilution*, is now required to establish dilution by blurring . . . [and] (ii) courts may apply six factors to determine whether a mark is likely to cause dilution by blurring.”³ It has been six years since the enactment of the TDRA; the time has come to examine the TDRA and its multifactor blurring test in order to gauge its efficacy in analyzing dilution by blurring claims. First, this comment will explain the origin of modern-day application of the TDRA and its blurring factors. Next, this comment will critically examine the application of the six factors in several key cases over the last six years to ascertain if they are, in fact, effective in achieving Congress’ overarching purpose of policing trademark dilution by blurring. Finally, this comment will conclude with a proposal to implement a new methodology when examining a dilution by blurring claim, namely, creating a measurable basis upon which courts can

1. 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 24:96 (4th ed. 2013).

2. *Id.* at §§ 24:93–119.

3. Century 21 Real Estate LLC v. Century Ins. Group, No. 03-0053, 2007 U.S. Dist. LEXIS 9720, at *42–43 (D. Ariz. Feb. 9, 2007).

tangibly gauge *likelihood* of dilution. Implementation of such a methodology will be significantly more effective in properly determining the existence of dilution by blurring. Congress made significant changes to anti-dilution law via the TDRA, positing that a user prove a *likelihood* of dilution, and adopting a list of redundant and inefficient factors without any guidance on how they should be effectively applied—Congress has failed us—that failure needs to be remedied.

II. THE LAW, AND ITS ORIGINAL APPLICATION

To know where the future of trademark dilution by blurring law must go, it is essential to understand what it is, and where it came from. Currently, trademark dilution law, in relation to blurring, states:

. . . “[D]ilution by blurring” is [the] association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following: (i) The degree of similarity between the mark or trade name and the famous mark. (ii) The degree of inherent or acquired distinctiveness of the famous mark. (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark. (iv) The degree of recognition of the famous mark. (v) Whether the user of the mark or trade name intended to create an association with the famous mark. [And] (vi) Any actual association between the mark or trade name and the famous mark.⁴

Plainly stated, “dilution by blurring occurs when consumers mistakenly associate a famous mark with goods and services of a junior mark, thereby diluting the power of the senior mark to identify and distinguish any associated goods and services, hence the impaired distinctiveness.”⁵ Prior to 2006, it was the viewpoint of the Supreme Court that the text of the anti-dilution statute unambiguously required a showing of *actual* dilution rather than a likelihood of dilution.⁶ Congress annulled this requirement by enacting the TDRA of 2006, an act that directly opposed the viewpoint of the Supreme Court at the time by now mandating proof of a *likelihood* of dilution. In addition to this Congressional shift in position, the TDRA introduced a list of factors to

4. 15 U.S.C.A. §1125(c)(B) (2012).

5. Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 464 F. Supp. 2d 495, 504 (E.D. Va. 2006).

6. Moseley v. Secret Catalogue, Inc., 537 U.S. 418, 433 (2003) (emphasis added).

determine whether blurring exists.⁷

The first court to adjudicate a dilution by blurring claim post-TDRA was the Fourth Circuit in a case involving the famous brand Louis Vuitton.⁸ At the time, the Fourth Circuit never offered an opinion on the new likelihood of dilution standard, and for guidance looked to the Second Circuit application of anti-dilution law and its reliance on New York General Business Law §360-1, which already incorporated the very same likelihood of dilution standard that was adopted by congress.⁹ New York General Business Law §360-1 reads:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.¹⁰

The analysis in *Louis Vuitton* was the first time that New York General Business Law §360-1 was used post-TDRA to assess a dilution by blurring claim, truly making this a case of first impression for modern trademark dilution by blurring analysis. The Fourth Circuit went on to cite to the Second Circuit and its application of New York General Business Law §360-1 in the *Tommy Hilfiger* case, which took place prior to the enactment of the TDRA.¹¹ In *Tommy Hilfiger*, the Second Circuit Court posited, “the presence of a famous mark on certain products may have little diluting effect, particularly where it is obvious that the defendant intends the public to associate the use with the true owner”¹² The Second Circuit made the previous statement primarily in

7. 4 McCarthy, *supra* note 1, at §24:101 (emphasis added).

8. See *Louis Vuitton*, 464 F. Supp. 2d 495.

9. *Id.* at 505.

10. N.Y. GEN BUS LAW § 360-1 (Consol. 1999) (emphasis added).

11. *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 422 (S.D.N.Y. 2002). That case involved Tommy Hilfiger suing Nature Labs, LLC for trademark dilution, amongst other things. Nature Labs manufactured and sold perfume products that utilized names that were parodies of elegant brands owned by Tommy Hilfiger. The court looked at the intent of the parody itself and determined it was used not to “confuse, but to amuse.” *Id.* at 419. The court granted the Nature Labs summary motion in regards to the dilution claim. The important point to take from this case is that the very first time that any court assessed trademark dilution by blurring under the newly formulated TDRA, the court belittled the importance of intent when assessing a dilution claim. The response by the court was in the negative; helping paint a picture of the true importance of these factors formulated by congress. If the court determined that intent was not indicative of a diluting effect even when found, then that suggests that intent is not important to the analysis of a dilution by blurring claim. *Id.* at 416–25.

12. *Id.* at 422 (quoting Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158, 188 (1982).

reference to parody use of a famous mark; however, intent is also a factor that congress has enumerated as one to weigh when assessing a dilution by blurring claim.¹³ Stating that the presence of a famous mark on a product will have little diluting effect, *particularly* where it is obvious that the defendant *intends* to associate the use with the true owner, forms a mixed message concerning the importance of intent. What happens when a user does not intend to associate their use with that of the use of the senior user? Does this lack of intent become *more* indicative of a diluting effect? The Second Circuit did not answer these questions; however, the Second Circuit belittled the importance of intent for a reason. While the reason is not expressly stated, the court's actions suggest that intent may not be that important for dilution analysis purposes, because even when it is found, it is not indicative of a diluting effect. Consequently, this suggestion is the root of modern day application of anti-dilution law. Application of the TDRA and its multi-factor test for dilution by blurring stems from a confusing analysis, inferring that one of the factors, namely intent, is not indicative of a diluting effect, even when found—this type of analysis also calls into question the validity of the other five blurring factors.

Knowing now where the first application of the TDRA took place, it behooves us to look at the application of the TDRA in other cases since its enactment. An analysis of these cases will highlight the practical implications of the TDRA, and show whether later courts have taken the same approach as the Second and Fourth Circuit in the *Louis Vuitton* and *Tommy Hilfiger* cases, when tackling a dilution by blurring claim.

III. BLURRING FACTORS IN ACTION

Several key cases have shed light on how courts deal with examining a dilution by blurring claim post-TDRA. Studying the holdings in these cases pushes us closer to a plausible remedial replacement for the current TDRA dilution by blurring factors and provides a guiding light to illuminate how to best analyze a trademark dilution by blurring claim.

Dilution by blurring occurs when a *single* mark, not multiple marks, references two separate sources in the eye of the consumer.¹⁴ It then behooves reasoned minds to draw the conclusion that when assessing a claim for trademark dilution by blurring, one should initially look to whether or not the mark in question is identical, nearly identical or substantially similar to another,

13. For trademark purposes, “parody is defined as a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner” See *PETA v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001) (quoting *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir. 1987).

14. 4 McCarthy, *supra* note 1, at § 24:69.

and whether or not a mental association or link is made in the mind of the consumer. Ironically, in *Century 21*, the District Court focused on blurring factors one and six: similarity and mental association when making its final determination.¹⁵ In that case, Century 21 sued Century Ins. Group opposing the registration of their mark “Century Insurance Group.”¹⁶ Century 21 alleged trademark dilution by blurring, amongst other actions, and the court utilized the six blurring factors to test whether the “Century Insurance Group” mark blurred the “Century 21” mark.¹⁷ After going through the six factors, the court stated that two were conclusive of the nonexistence of dilution by blurring.¹⁸ As stated, the two factors they relied on were factors one and six: similarity, and mental association.¹⁹ The court held that no reasonable trier of fact could conclude that the “Century Insurance Group” mark would dilute the “Century 21” mark.²⁰ When stating its decision, the court provided no further explanation or connection between the other four factors and its final holding.²¹ The court stated “[g]iven the Court’s findings on (i) the dissimilarity of the parties’ Marks and (ii) the lack of mental association between the ‘Century’ and the mark ‘Century 21,’ no reasonable jury could conclude that Century’s Marks are likely to dilute the C[entury] 21 Marks.”²² The decision of the District Court in *Century 21* to place such significant weight on similarity and mental association suggests that those factors are more important than the four remaining factors enumerated in the TDRA.²³ This is *not* to stay that substantial similarity and mental association are, alone, talismans of dilution by blurring when shown. However, similarity and the perception of the consumer are integral elements of dilution by blurring, and the court’s underlying reasoning for its holding breathed life into the idea that they are of great significance.²⁴

15. *Century 21*, 2007 U.S. Dist. LEXIS 9720 at *49–54.

16. *Id.* at *4.

17. *Id.* at *49–55.

18. *Id.* at *54–55.

19. *Id.*

20. *Id.*

21. *Id.*

22. *Id.*

23. *See Id.* The holding in this case leads to an interesting point. If a court can conclusively determine that there is no valid claim for dilution by blurring where two marks are not similar, and no mental association can be reasonably made in the mind of the consumer, then it shows that some factors are more relevant than others, reinforcing the idea laid out in *Tommy Hilfiger*.

24. Allen W. Hinderaker, *Dilution: The Ninth Circuit Joins the Second Circuit: Substantial Similarity is Not a Prerequisite to Claim Dilution by Blurring* (2011), MERCHANT & GOULD, http://www.merchantgould.com/Resource_WP_2011_03_Dilution.aspx (last visited January 8, 2013) (harshly criticizing any notion that substantial similarity is more than just a factor in a set of six factors). I sharply disagree. Similarity between marks is what diminishes the capacity of one mark to identify a product and identify as the sole user in the eyes of the consumer. Without substantial similarity, the

Century 21 paints a clear portrait, depicting that the dilution by blurring factors are not equal in levels of importance, at least not uniformly. The current TDRA is silent on the point of how much weight to give each factor.

In March of 2007, there was one dilution by blurring-focused case where a court considered all six blurring factors—*Pet Silk, Inc. v. Jackson*.²⁵ *Pet Silk* sought an injunction against Jackson, a wholesale distributor, for dilution by blurring for selling *Pet Silk*'s products on their website after *Pet Silk* severed business ties with Jackson.²⁶ The court utilized a speedy analysis of all six dilution by blurring factors in determining if use of the *Pet Silk* mark was likely to cause dilution by blurring, and gave equal weight to each factor. The court concluded that *Pet Silk*'s claim for dilution was likely to succeed.²⁷ No court has cited to *Pet Silk*, its conclusion, or its application of the TDRA blurring factors as an authority. If more courts cited to the methodology used by this court, this would indicate that other courts adopt similar analyses, but that is not the case.

In June of 2007, the Southern District of New York tried the case of *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*²⁸ *Louis Vuitton* alleged trademark dilution by blurring, amongst other offenses, against *Dooney & Bourke* for their production of handbags that allegedly blurred the *Louis Vuitton* mark.²⁹ In this case, *Louis Vuitton* relied on Dr. Eugene Ericksen, a professor at Temple University, to conduct a survey to prove dilution by blurring in lieu of attempting to prove any of the dilution by blurring factors enumerated in the TDRA.³⁰ This survey's attempt failed for many reasons, but mainly because the survey's basis was improper. The court found that Dr. Ericksen's survey was "fatally flawed", not because it was improper to utilize a survey to measure dilution by blurring, but because the survey, in its application, mistook confusion for blurring.³¹ Dr. Ericksen's blurring analysis was based on the use of an improper stimulus and flawed control—he was asking the wrong questions, and based on the answer to those questions, provided an improper

requisite "foolery" would be absent, and blurring would be much more difficult to recognize. More influence is given to the substantial similarity factor for the simple reason that it is logically one of the most important in indicating dilution by blurring in the eye of the consumer, which should be the focus.

25. 481 F. Supp. 2d 824 (S.D. Tex. 2007).

26. *Id.* at 825–26.

27. *Id.* at 834.

28. *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 525 F.Supp. 2d 558 (S.D.N.Y. 2007).

29. *Id.* *Louis Vuitton*, a company well known for enforcing their trademark brand across the globe, did not attempt to prove that the six blurring factors were present. Instead, they relied on expert testimony of a professor who specialized in conducting trademark confusion surveys, to conduct surveys to see if blurring actually occurred.

30. *Id.* at 582–83.

31. *Id.* at 591.

analysis.³² Moreover, Dr. Ericksen “failed to limit his blurring analysis to blurring caused specifically by the Dooney & Bourke . . . mark, [and extended it to include] the overall ‘look’ of the Dooney & Bourke bags.”³³ Within this decision, the court impliedly illuminated a very important point—had Dr. Ericksen limited his analysis and survey to the blurring caused *specifically* by the Dooney & Bourke *mark*, and not the overall look of the bags themselves, his analysis would potentially be an acceptable one.³⁴ This is the first, but not the last, time that survey evidence is provided to support a post-TDRA dilution by blurring claim, suggesting that the dilution by blurring factors are not necessary to show blurring, provided a survey is conducted properly.

September of 2007 brought about an intriguing decision in *Nissan Motor Co. v. Nissan Computer Corp.*³⁵ Nissan Motor Company, a very well-known automobile company, brought an action against Nissan Computer Corp, alleging that the company’s use of the trademark “Nissan” and the use of the internet domain name including “Nissan” diluted their famous mark.³⁶ The Central District Court of California began its dilution analysis by quoting J. Thomas McCarthy: “[n]otably, [i]f the ordinary prospective purchaser, upon encountering the junior user’s mark which is the same as the famous mark, is, because of the context, not likely to even think of the famous mark, then dilution by blurring cannot occur.”³⁷ With this frame of reference, the court went on to analyze the actions of the Nissan Computer Corp. in the case as applicable to each of the six dilution by blurring factors.³⁸ After finding that many of the factors weighed heavily in favor of Nissan Motor, the court finally looked to whether or not Nissan Motor presented any concrete evidence that users of the Nissan Computer website *actually* associated the Nissan Motor mark with that of the Nissan Computer mark.³⁹ When the court did not find any compelling evidence to be present, it held that there was no dilution by

32. *Id.* at 598.

33. *Id.*

34. *Id.*

35. *Nissan Motor Co. v. Nissan Computer Corp.*, No.99-12980, 2007 U.S. Dist. LEXIS 90487 (C.D. Cal. Sept. 20, 2007). The court in *Nissan* was one of the first to state, expressly, the importance and necessity of balancing the blurring factors. Although this may seem to be an intuitive action given that there is a multi-factor test, it speaks volumes that a court makes it a point to reference the need for balancing in a sea of litigation where this point is unmentioned. The court goes on a tangent to describe the ways in which Nissan Motor could have proven likelihood of blurring, and focused on the effectiveness of a survey. This is the second time we have seen surveys referenced as an effective gauge of dilution by blurring.

36. *Id.*

37. *Id.* at *38 (quoting 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION §24:92 (4th ed. 2006)).

38. *Id.* at *39–52.

39. *Id.* at *44–51.

blurring.⁴⁰ The court was looking for survey evidence to show a likelihood of dilution by blurring, and even went so far as to state:

Nissan Motor could have conducted several surveys to determine whether any dilution by blurring was likely to occur, or had in fact occurred. For example, it would have been very easy to design a survey that asked subjects to visit nissan.com and respond if they thought it was in any way associated with Nissan Motor. That Nissan Motor did not conduct such a simple and obvious survey is a significant omission.⁴¹

This result of the *Nissan Motor* case showed that; (1) the six blurring factors, even when proven, are not conclusive of a likelihood of dilution by blurring and (2) that courts want to see survey evidence.⁴² Federal anti-dilution law is relatively young and still evolving; because of this, the TDRA has sparse legislative history.⁴³ Where history and experience are lacking, it is essential to look to the surrounding sphere of influence to dictate where, and in what fashion, prevalent authority should lead. Here it appears to be leading down the path of survey evidence.

In *Jada Toys, Inc., v. Mattel, Inc.*, Mattel appealed a summary judgment decision from a District Court knocking down their dilution claims under both federal and California state law.⁴⁴ The District Court stated that Jada Toy's actions did not dilute the trademark of Mattel.⁴⁵ To prove that a reasonable trier of fact could conclude that the marks at issue were quite similar and that there was dilution of their mark, Mattel conducted two surveys.⁴⁶ In the first survey, Mattel showed consumers the "HOT RIGZ" toy and asked them whom they believed made the toy vehicle with that name.⁴⁷ Twenty eight percent of the consumers surveyed stated that they believed Mattel made the toy, or that the same company that made the "HOT WHEELS" product made "HOT RIGZ".

40. *Id.* at *53–56.

41. *Id.* at *49.

42. *See generally* Nissan Motor v. Nissan Computer. _ U.S. Dist. LEXIS 90487.

43. 4 McCarthy, *supra* note 1.

44. 518 F.3d 628, 631 (9th Cir. Cal. 2008).

45. *Id.* at 637. This case involved a dispute over "HOT WHEELS", an extremely popular toy car amongst young children. Mattel was the producer of "HOT WHEELS" and Jada Toys was the manufacturer of a competing car, "HOT RIGZ". Mattel argued that the "HOT RIGZ" mark diluted "HOT WHEELS" mark. This case is another example of how survey evidence is a sound basis upon which to measure dilution by blurring.

46. *Id.* at 636.

47. *Id.*

⁴⁸ In their second survey, Mattel showed the “HOT RIGZ” packaging to other consumers and asked whom they thought was the producer of the package and product; the result was that seven percent of the consumers believed that “HOT RIGZ” was a product of Mattel or an affiliate company of the producer of “HOT WHEELS.”⁴⁹ In its review, the Ninth Circuit articulated:

[n]ot only do these surveys indicate that consumers associate one mark with the other; they suggest . . . that Mattel’s HOT WHEELS mark does not adequately identify its product because Jada is able to convey, through the use of its HOT RIGZ mark, the impression that Mattel either produces or allows the production of HOT RIGZ.⁵⁰

In February of 2008, the Ninth Circuit ultimately posited that the evidence presented by Mattel was sufficient for a trier of fact to establish the existence of a likelihood of dilution by blurring, therefore reversing the holding of the trial court and granting Mattel’s initial dilution by blurring claim.⁵¹

The final holding in *V Secret Catalogue, Inc. v. Moseley*, a landmark case involving the world famous brand Victoria’s Secret, questions the practicality of having six dilution by blurring factors at all. In that case, the court found every one of the blurring factors to be in the favor of V Secret Catalogue.⁵² The court found that: (1) both marks were substantially similar; (2) the Victoria’s Secret mark was very distinctive, given that the mark ranks up with those that are very fanciful and arbitrary, warranting high level of trademark protection; (3) the requisite level of substantial exclusivity existed in regards to Victoria’s Secret’s mark; (4) the Victoria’s Secret mark has a high level of consumer recognition; (5) the junior user, Moseley indeed intended to create an

48. *Id.*

49. *Id.*

50. *Id.*

51. *Id.* at 637.

52. 558 F. Supp. 2d 734, 745–748 (W.D. Ky. 2008). Victor and Cathy Moseley owned and operated an adult sex and lingerie shop named “Victor’s Little Secret.” “V Secret Catalogue” is a common reference to a catalogue recurring catalogue issued by Victoria’s Secret. Victoria’s Secret became privy to the mark by an army colonel who saw an ad for the store opening and was deeply offended by, what appeared to the colonel, to be Victoria’s Secret branching out and selling “lewd and unwholesome” material, which was not that case. He sent a copy of the ad to Victoria’s Secret, which led to Victoria’s Secret bringing an action against Moseley. The impression of the colonel is what the court ultimately based its decision on. This is very interesting because even after finding every factor to be in favor of Victoria’s Secret, the court decided that the harm was tarnishment and not blurring. If this is the case, what is the purpose of the blurring factors? If when applied, a court can find that each factor is proven, yet still find that there is no blurring, is this not a prime example of an ineffective law? This case is a premier example of the inefficiencies within the TDRA of 2006 and the need for a more concrete criterion to analyze dilution by blurring in a manner that is reliable and tangible.

association between the “Victor’s Little Secret” mark and the “Victoria’s Secret” mark; and (6) there was an actual association between the two marks because both companies sold lingerie.⁵³ Despite finding all six of the dilution by blurring factors to be present and weighing in favor of Victoria’s Secret, the court held that there had been no showing of a likelihood of dilution by blurring.⁵⁴ How could the court come to such a conclusion after conducting such a thorough analysis of the factors and determining all were satisfied? The court relied on a single minute detail in their decision. It concluded that the case involved dilution by tarnishment, not by blurring, reasoning that: “[t]he offended colonel wrote to V Secret not to say ‘stop selling sex toys,’ but rather to alert them that their mark was being associated with an establishment selling such items in derogation of their name. Thus we have evidence not of blurring, but of tarnishment.”⁵⁵ The court based its determination, after a full analysis of the factors enacted to determine dilution by *blurring* and after finding requisite evidence to support each factor, on the beliefs of an individual consumer who put the company on notice of dilution of their mark.⁵⁶ This approach creates quite a confusing precedent if followed. Why would the court abandon the results of the six factor analysis, and then find the existence a different form of dilution altogether? The court summed up its decision as follows:

while we have found that the blurring factors, including intent on the part of the Moseley’s to create the association with V[ictoria’s] Secret’s mark, favor V[ictoria’s] Secret, the record evidence establishes that the distinctiveness of the VICTORIA’S SECRET mark was not blurred, at least in the instance of *one consumer* confronted with the use of the accused mark.⁵⁷

One man’s opinion was enough to dictate the distinctiveness of a world famous mark, and trump the six dilution by blurring factors. This case unearthed a crucial point: that consumer perception can conclusively determine the existence of dilution by blurring.

In the landmark case *Levi Strauss & Co v. Abercrombie & Fitch Trading Co.*, the Ninth Circuit implemented an in-depth statutory interpretation of post-TDRA anti-dilution law.⁵⁸ Levi Strauss sued Abercrombie & Fitch over a

53. *Id.* at 744–48.

54. *Id.* at 749.

55. *Id.*

56. *Id.*

57. *Id.*

58. 633 F.3d 1158 (9th Cir. 2011). Initially adjudicated before the enactment of the TDRA of 2006, this case was heard again on remand and decided in 2011 under the newly formulated TDRA.

stitching design on the back of their jeans.⁵⁹ Levi has a double-arched stitch design on the back pocket of their blue jeans that has been a staple of their brand since 1873.⁶⁰ Abercrombie began using a loop design stitching on the back of their jeans in 2006 that had some resemblance of an arch, and Levi subsequently alleged dilution by blurring.⁶¹ This case was tried in the Ninth Circuit and was the first time a Court dissected the new TDRA to explain what it means at length.⁶² The Ninth Circuit posited, “[t]he plain language of [the TDRA] does *not* require that a plaintiff establish that a junior mark is identical, nearly identical or substantially similar to the senior mark in order to obtain injunctive relief.”⁶³ Rather, the Ninth Circuit stated that a plaintiff must show, based on the factors set forth in the TDRA, “that a junior mark is *likely* to impair the distinctiveness of the famous mark.”⁶⁴ However, the court never goes into exactly *how* a plaintiff would go about proving this likelihood—leaving a pivotal question unanswered: how can a plaintiff prove a likelihood of dilution by blurring and what are courts looking for when plaintiffs plead their case?

Unfortunately, the six factors enumerated in the TDRA, even if proven, are not conclusive of dilution by blurring. If the guideline factors for a dilution by blurring claim are not conclusive proof of such a claim when met, then why are the factors still in existence? What is their purpose? Without any concrete weight given to any particular factor, it is impossible to have consistency in anti-dilution law enforcement. Current anti-dilution law needs to be stripped down to its foundation and built anew—after all, “destroying is a necessary function in life, everything has its season, and all things eventually lose their effectiveness and die.”⁶⁵

IV. PROPOSAL FOR CHANGE

“Blurring” is an association arising from the similarity between a mark and a famous mark that impairs the distinctiveness of the famous mark.⁶⁶ Congress, in enacting the TDRA, shifted the language of the Federal Trademark Dilution

The court, however, did not go into how a plaintiff would go about proving likelihood of dilution by blurring, a key issue that most courts have avoided.

59. *Id.* at 1159.

60. *Id.*

61. *Id.*

62. *Id.* at 1171.

63. *Id.* at 1172 (emphasis added).

64. *Id.* (emphasis added).

65. Margaret J. Wheatley and Geoff Crinean, *Solving, not Attacking, Complex Problems: A Five-State Approach Based on an Ancient Practice* MARGARET J. WHEATLEY, <http://www.margaretwheatley.com/articles/solvingnotattacking.html> (last visited Jan. 8, 2013).

66. *Levi Strauss & Co.*, 633 F.3d at 1171.

Act⁶⁷ in a manner that no longer requires proof of *actual* dilution, but requires proof that a mark is *likely* to cause dilution by blurring. This change carries with it the question of whether this newly formulated statute gives more or less protection to trademark owners. Congress has not provided any guidance on how much weight to give each of the six blurring factors, and has failed to instruct how to measure a likelihood of dilution by blurring. Making modifications to provide such guidance would save the courts time, save the parties to blurring actions money, and clarify the lines of the law for the rest of us.

The focal point of “blurring” is the impairment of distinctiveness, but how does one quantify a loss of distinctiveness? There is no guarantee a court will find dilution by blurring even where a party can demonstrate that all the dilution by blurring factors are present. There is only one way that blurring can still be an effective and efficient standard, and it involves measuring the tangible—that is, creating a basis to draw an inference of likelihood of dilution by blurring.⁶⁸ This new standard will bridge the gap between pre-TDRA blurring and post-TDRA blurring—still requiring that a likelihood of dilution by blurring be shown, but taking the analysis a step further by requiring that there be an actual basis to back up an argument for *likelihood* of dilution.

Anti-dilution legislation should be crafted carefully and narrowly.⁶⁹ Dilution should be used sparingly as an extraordinary remedy under rare circumstances, not as an alternative pleading.⁷⁰ Requiring an actual basis for an inference of likelihood of dilution to be drawn from would further this intent of the legislature by requiring due diligence be commenced before alleging dilution by blurring. Congress, however, did not do this—by creating a

67. The Federal Trademark Dilution Act was the anti-dilution law that was in place prior to the enactment of the TDRA in October of 2006.

68. The creation of a concrete basis is essential to prove likelihood of dilution. This creates a stepping stone to dilution that is logical, and tangible. Further explanation of how to create this basis is shown through the explanation of survey evidence later in this comment. *Infra* note 79 (See Section C). As currently orchestrated, the TDRA does not give hierarchy of importance to any of the six blurring factors, it does not provide guidance on how to prove any of the factors, or provide any way to balance the factors against each other to determine whether dilution by blurring exists. Implementing survey evidence creates a basis to draw inferences of likelihood. For example, if after a survey is taken, 55% of consumers agree that they associate “Eminem” products with “M&M’s” then there is a legitimate argument to be made that it is *likely* that the “Eminem” mark dilutes the “M&M” mark based on the large proportion of people who believe the products are associated with one mark. There are actual numbers to base an argument for likelihood of dilution by blurring, created through the perceptions of the consumer, whose perception of the product is the only way to tangibly measure the distinctiveness of a mark.

69. Trademark Dilution Revision Act of 2006, H.R. 109-23 (2006) [accompanying H.R. 683] (available at <http://www.gpo.gov/fdsys/pkg/CRPT-109hrpt23/html/CRPT-109hrpt23.htm>).

70. *Id.*

standard that is non-conclusive, non-exhaustive in its factors, and open to wide interpretation as to which factors carry more weight, the practical implications Congress' actions imposed a very imprecise, broad standard. However, there is hope that with some tweaking, a carefully crafted and narrow anti-dilution by blurring law can still exist by creating an assessable basis to measure the likelihood of dilution by blurring. This basis would ensure that courts are not just guessing that likelihood exists without proving how or why. There are several ways to adopt this proposed standard while, concurrently, expanding the efficacy of the dilution by blurring factors. I propose the following: (1) a departure from the factor measuring the degree of recognition of the famous mark; (2) a departure from the factor assessing the intent of the junior user; and (3) requiring a test to measure the junior user's effect on the senior user's brand equity via survey evidence. If these actions are undertaken, blurring will become a much stronger cause of action, with measurable implications.

A. Removal of the Fame Factor

The blurring factor measuring the degree of recognition of a famous mark is a repetitive test. It would be efficient to do away with this factor as a guideline entirely. The TDRA begins with the following language:

[T]he owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time *after the owner's mark has become famous*, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring . . . of the famous mark⁷¹

The statute begins with two key elements of dilution before even getting into dilution by *blurring*: (1) that the senior user is the owner of a famous mark; and (2) that the mark is distinctive.⁷² Moreover, there are already factors within the statute that formulate a fame analysis of a mark; this language comes before the mention of the dilution by blurring factors.⁷³ These factors are:

- (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner of the third parties.
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii) The extent of actual recognition of the mark.

71. 15 U.S.C.A. § 1125(c)(1) (2012) (emphasis added).

72. *Id.* (emphasis added).

73. *Id.* at (c)(2)(A).

(iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.⁷⁴

It is unnecessary to analyze the requisite level of fame of a mark more than once. If 15 U.S.C.S. § 1125(2)(c)(1) already requires that a mark be famous, and § 1125(c)(2) goes on to lay out the factors considered when determining fame, fame does not need to be analyzed again when determining if a mark is blurred. Furthermore, whether or not a mark is famous, the existence or non-existence of the requisite fame does not change the fact that a junior user's use of a mark can blur the senior user's mark. Being famous is not a shield from blurring—the blurring can occur regardless of whether or not a mark is famous. However, whether or not to grant injunctive relief after discovering the existence of blurring is a different question entirely. It is for this reason that fame analysis should be limited to the assessment of whether to grant injunctive relief and not to the existence of blurring itself. Removing the fame factor would save the courts' time by not requiring that an analysis on the point of fame be undertaken more than once.

B. Irrelevance of Intent

Whether or not a junior user intended to create an association with a famous mark is irrelevant for purposes of finding the existence of dilution by blurring. Dilution by blurring is the association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.⁷⁵ There is no language within the statute stating that intent in any way affects or has a bearing on the impediment of a mark's distinctiveness. However, the action of Congress enumerating intent within the factors for dilution by blurring, along with courts determining that the factors are inconclusive and non-exhaustive, causes a presumption that intent is relevant, at least in the eyes of Congress. As a practical example, if a junior user utilizes the mark of a senior user and had not intended to do so, does that change the fact that the junior user's use of that mark can, in fact, blur the senior user's mark in the eye of the consumer? Of course not—blurring can occur when the junior user had the intent to create an association and can occur where the junior user had absolutely no intent of creating the association—it is the mindset of the *consumer* that is the crux of this analysis, not the intent of the junior user. Moreover, the intent of a junior user is a very weak indicator for dilution when considering intent as a factor for dilution by blurring analysis.⁷⁶ For the

74. *Id.*

75. 4 McCarthy, *supra* note 1 at § 24:69.

76. ADAM L. BROOKMAN, TRADEMARK LAW: PROTECTION, ENFORCEMENT AND LICENSING:

foregoing reasons, intent needs to be set apart from blurring analysis because intent is not indicative or probative of blurring. Intent analysis should not take place until a plaintiff has proven that blurring in fact exists, and should be applied when deciding whether to render an injunction on the junior user, or validate a junior user's defense using a mark.

C. Quantifying the Effects of Consumer Perception—Creation of the Basis to Measure Likelihood of Dilution by Blurring, and Measuring Effects on Brand Equity

Dilution by blurring is unique and cannot be effectively measured by examining factors that are innately incapable of yielding tangible results. It is the gradual withering away and diminishing of a mark's identity that is the true harm caused when a senior user's mark is blurred. The only way to measure harm is by quantifying the effect of a junior user's use of a senior user's mark, and the senior user's ability to identify their product or service. Barton Beebe articulated this point very soundly, stating we must "evaluate the effect of the junior mark on the perceptions of *actual* consumers and must in the process take into account . . . the sophistication of the relevant consumer population."⁷⁷ Beebe's words sum up the current difficulty that courts face in trying to apply the TDRA—how does one measure the perceptions of actual consumers? A tangible way to measure dilution by blurring is to examine how the junior user's use of a mark has affected the senior user's brand equity.⁷⁸ This type of analysis may seem like a far-reaching concept on its face—blending marketing and legal theory—but the idea is not as outlandish as it appears. Moreover, this idea is by no means a new one; the old Federal Trademark Dilution Act from 1999 presented this same analysis. Re-inventing the wheel is not this comment's proposed course of action, but substituting the old, broken ones for a set of fresh, modernized, and workable ones, is precisely what quantifying dilution by blurring will achieve. To do this, a definition of brand equity needs to be clearly established.

What is a brand? A brand is not simply a name, logo, or trademark that differentiates a product from its competitors—a brand is a "set of associations that satisfies both the functional and emotional demands of target consumers."⁷⁹

2004 SUPPLEMENT 11-23 (Aspen Publishers Online 1999).

77. Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143, 1149 (2006) (emphasis added).

78. Patrick M. Bible, *Defining and Quantifying Dilution under the Federal Trademark Dilution Act of 1995*, 328 70 U. COLO. L. REV. 295, 328 (1999) (explaining how and why survey evidence is the one of the most probative indicators of dilution by blurring).

79. 15 ADVANCES IN BUSINESS MARKETING AND PURCHASING, BUSINESS-TO-BUSINESS BRAND MANAGEMENT: THEORY, RESEARCH AND EXECUTIVE CASE STUDY EXERCISES 120 (Mark S.

Brand equity is the set of associations and behaviors on the part of those consumers that permits the brand to earn greater volume or greater margins than it could without the brand name—giving the brand name a “strong, sustainable, and differentiated competitive advantage.”⁸⁰ How can an anti-dilution standard that does not purport to put significant weight on the viewpoints of the consumer be an adequate measure of brand/mark diminishment by blurring? The simple answer is that it cannot; the TDRA’s measure for blurring will never be able to measure the effect on a mark’s brand equity. Current anti-dilution statutes should require empirical evidence of blurring ascertained by cued call survey evidence to measure the effect on a mark’s brand equity.⁸¹ This type of survey involves requiring consumers to identify a product line manufactured under a given trade name to assess “typicality”, or its ability to conjure up a particular product category.⁸² A survey of this caliber measures the ability of the particular mark to have consumers mentally associate the senior user’s mark with the proper product.⁸³ An example of this would look as follows: consumers exposed to the brand name “Lexis”, may think of two things, the computerized search engine (Lexis) or the luxury automobile manufacturer (Lexus).⁸⁴ The increased typicality of the Lexus mark would result in the diminished capability of Lexis to identify and distinguish its goods and services.⁸⁵ By displaying several products to the consumer and ascertaining which company consumers believe is the producer of the product, the results of that survey will factually show whether a mark’s distinctiveness and ability to identify a product has been diminished. This type of dilution closely resembles “the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark”⁸⁶ Upon completion of such a survey, the results create a measurable means by which to determine whether there truly is a likelihood of dilution by blurring. This measurement comes from the percentage of consumers that actually think a mark is “blurred.” In order for courts to effectively evaluate the perceptions of actual consumers, an anti-dilution claim concerning blurring should require the introduction of the perceptions of actual consumers as evidence of a party’s claim.

Glynn & Arch G. Woodside eds., 2009) (quoting T. NGUYEN & T.M.T. NGUYEN, *BRAND EQUITY AND ITS ANTECEDENCE IN VIETNAMESE MARKET* (2003)).

80. *Id.* at 121 (quoting KEVIN LANE KELLER, *STRATEGIC BRAND MANAGEMENT—BUILDING, MEASURING AND MANAGING BRAND EQUITY* (2003)).

81. Bible, *supra* note 77, at 330.

82. *Id.*

83. *Id.*

84. Bible, *supra* note 77, at 329–330.

85. *Id.*

86. *Id.* at 297–98 (quoting Frank J. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927)).

The ideal way to ascertain consumer perception is via survey. This survey approach would not operate as a conclusive determination of likelihood of dilution by blurring, but it would serve as a basis to quantify the likelihood of dilution by blurring in a tangible fashion. “Even the probability of dilution [by blurring] should be proven by evidence, not just by theoretical assumptions about what possibly could occur or what might happen.”⁸⁷ It would be prudent to require proof of a tangible basis upon which to draw an argument for a likelihood of dilution by blurring. To do so would ensure that dilution by blurring claims are less frivolous, and based on the actual perceptions of the consumer. After all, the consumer is the ultimate determinant of the distinctiveness of a mark.

V. CONCLUSION

The Trademark Dilution Revision Act of 2006 fails to accurately or effectively measure the existence of dilution by blurring. There are six factors enumerated within the act, each given no particular hierarchy of importance by Congress, and without the means to quantify consumer perception. By requiring that courts look for a *likelihood* of dilution by blurring, current anti-dilution law asks the courts to look for a likelihood of a possibility—the probability that something is likely to happen. Requiring such action without any means of tangible calculation sends courts on a wild goose chase trying to find Sasquatch, as far as practicality is concerned. In order to remedy this statutorily created paradox—that *likelihood* of dilution is the proper method of assessing dilution by blurring in and of itself—Congress must revise the current TDRA. The new focus under the revised law should create a measurable basis that measures the effect on the senior user’s brand equity, which in turn creates a concrete explanation for drawing the conclusion that the use of a mark is *likely* to dilute the senior user’s. Moreover, we must abandon the intent factor for dilution by blurring purposes and only use intent analysis for assessing whether to grant an injunction based on a conclusive finding of any blurring. Lastly, a famous mark’s degree of recognition is already determined before a blurring analysis is ever undertaken. Abandoning “degree of recognition” as a guideline factor for assessing dilution by blurring will avoid confusion and redundancy within the court. Following these steps will usher in an era of clarity for anti-dilution law as far as it concerns dilution by blurring. Applying the aforementioned changes, the test for dilution would now read:

. . . [D]ilution by blurring is the association arising from the similarity between a mark or trade name and a famous mark that is likely to impair

87. 4 McCarthy, *supra* note 1 at § 25:115.

the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court shall consider all relevant factors, including the following: (i) the degree of similarity between the mark or trade name and the famous mark; (ii) the degree of inherent or acquired distinctiveness of the famous mark; (iii) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (iv) *the degree to which the junior user's use of a mark impacts the brand equity of the senior user's mark, to be evaluated by empirical survey evidence* (vi) and any actual association between the mark or trade name and the famous mark.

DEREK A. HAWKINS